

REMARKS

Claims 21-38 are pending in this application. Claims 21 and 27 are amended. Claims 35-38 are added. Claim 34 is cancelled. Applicants submit that no new matter is added. In view of the above amendments and the following remarks, Applicants respectfully request the favorable consideration and allowance of claims 21-33 and 35-38.

The Examiner has rejected claims 21, 23-27, and 29-34 under 35 U.S.C. § 103 as being unpatentable over Sugimoto et al. (US Patent No. 4,803,349) in view of Glaberson (U.S. Patent No. 4,886,957) and further in view of Imai (U.S. Patent No. 6,446,872). The Examiner takes the position that the combination of Sugimoto and Glaberson teaches or suggests all the features recited in claims 21, 23-27, and 29-34. Applicants respectfully disagree.

Applicants acknowledge the Examiner for the recently conducted interview. In the interview, claims 21, 27, and new claims 35-38 were discussed. In view of the Examiner's comments regarding the clarification of the second condition, Applicants have amended claims 21 and 27. Specifically, claims 21 and 27 are amended to recite that the condition is met when the control circuit senses the magnetic card being slowed down. It is submitted that neither Sugimoto, Glaberson nor Imai teach or suggest a second condition, as recited in the claimed invention.

Sugimoto discloses that the insertion of the magnetic card is detected by the inlet sensor 3 and after about one or two seconds, the shutter is moved upward, whereby the card passage is opened. Then the user pushes the card in again, the motor is then rotated and the card is transported. According to Figure 2, of Sugimoto, the sensor 3 is detected whether it is turned on or not. Therefore, as long as the card is detected, the sensor 3 remains turned on. As a result, the sensor 3 cannot detect whether the output of the sensor 3 is lowered. Thus, it is submitted that Sugimoto fails to teach or suggest a control circuit that detects a second condition wherein the output of the magnetic head is lowered which is indicative of slowing down of the magnetic card, wherein after the control circuit detects the slowing down of the magnetic card, the card transferring mechanism is driven to take in the magnetic card. Therefore, Applicants in view of the amendments to claims 21 and 27, request the withdrawal of the rejection of claims 21 and 27.

In addition, it is respectfully submitted that Imai is not a proper prior art reference. Imai is a reference being used under 102(e), as a result, it is not a proper prior art under 103(a) since Imai and the present application are commonly owned. The present

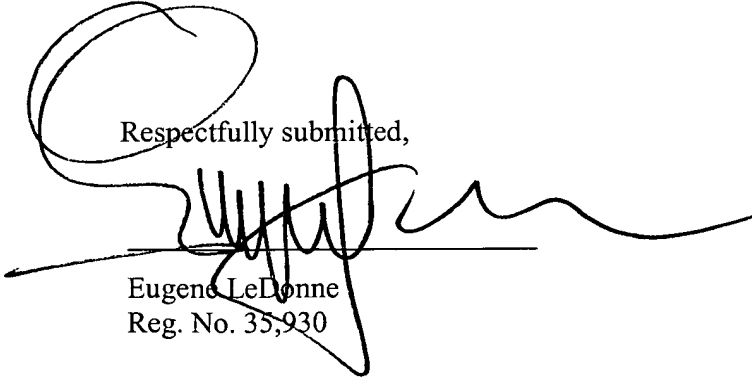
application was filed on August 6, 2003 from a continuation application (U.S. Application Serial No. 09/611,501) filed on July 7, 2000, which claims priority to Japanese Application No. 11-196700 filed on July 9, 1999. The Imai reference was published on September 10, 2002. It should be noted that the Imai reference is not a prior art reference under 102(a) or 102(b), since the publication date of Imai is after the priority date of the present application. Therefore, since the Imai reference and the present application are commonly owned, and the present application has a priority date prior to the publication date of the Imai reference, Imai is not proper prior art under 35 U.S.C. 103(a).

Since Imai is not a proper prior art, Applicants request the withdrawal of the rejection of claims 21, 23, 27, and 29 under 35 U.S.C. 103(a).

Claims 23, 24-27, 29-33 are dependent upon claims 21, 23, 27, and 29. Therefore it is submitted that for at least the reasons mentioned above, claims 23, 24-27, 29-33 recite patentable subject matter. Accordingly, Applicants also request the withdrawal of the rejection of claims 23, 24-27, 29-33 under 35 U.S.C. 103(a).

Based upon the above amendments and remarks, applicants respectfully request reconsideration of this application and its early allowance. Should the Examiner feel that a telephone conference with applicants' attorney would expedite prosecution of this application, the Examiner is urged to contact him at the number indicated below.

Respectfully submitted,



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